

Q1 Analyst Call

Dr. Bernd Montag, CEO | Dr. Jochen Schmitz, CFO

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Strong start in topline, outlook confirmed

- **Q1 comparable¹⁾ revenue up by 5.5%** driven by strong **Imaging** business with **6.7%** and very strong **Advanced Therapies** with **9.5%** growth
- **Equipment book-to-bill of 1.2** in Q1, the **7th consecutive quarter** with book-to-bill **>1**
- **Temporary dip in Q1 Imaging margin, Diagnostics** with margin development **as guided**
- **Adjusted EBIT margin at 13.5%**, -290 bps y-o-y
- **Adjusted basic earnings per share of €0.35** , -6% y-o-y on lower adj. EBIT
- **Free cash flow** significantly up vs. PYQ with **€244 mio.**
- **Outlook for FY2020 confirmed**

¹ Y-o-y on a comparable basis, excluding currency translation and portfolio effects

Upgrading: driving our company to the next level of profitable growth



Imaging Digital

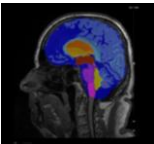
Continuously innovating and making new markets



- **SOMATOM On.site¹⁾**
New markets for CT: bringing the scanner to the patient



- **myExam Companion**
Intelligent user guidance with SOMATOM X.cite



- **AI-Rad Companions**
Widening our lead in AI with 510(k) approval for chest-CT Companion; new AI-Rad Companions²⁾ for MR examinations of brain and prostate

Diagnostics Workflow

Path to market growth and expanding workflow leadership



- Selected as **primary supplier** for immunoassay testing with **Atellica Solution** – highlighting strengths in **workflow efficiency, automation and clinical outcomes**
- Enables Quest to **expand immunoassay testing capacity** while driving **economic efficiencies and clinical performance**

Advanced Therapies Procedures

Transforming to new levels of profitable growth

- **Significant equipment revenue growth**



- **Successful closing** of Corindus acquisition in **Q1**
- **First transcontinental simulated telerobotic³⁾ PCI procedure** over 5G, fiber and public internet
- **First robotic-assisted neuro intervention³⁾**
- **First robotic-assisted coronary intervention in Germany**

Our priorities

¹ SOMATOM On.site is currently pending 510(k) clearance, and is not yet commercially available in the United States. Some products and features are not commercially available in every country, and its future availability cannot be guaranteed. | ² 510(k) pending. This information about this product is preliminary. It is not commercially available in every country, and its future availability cannot be guaranteed. | ³ Solutions are currently under development and not available for sale, and its future availability cannot be guaranteed.

Drive share gains in growth markets



China:
Double-digit equipment order growth¹⁾ in Q1



Middle East and Africa:
Double-digit equipment order growth¹⁾ in Q1

Drive share gains with leading providers

Hamilton Health Sciences

- ~CAD 270 mio. deal with **Hamilton Health Sciences**, a leading provider for Ontario, Canada
- **15-year strategic value partnership**, including ~200 Siemens Healthineers **imaging modalities**

Moscow Healthcare Department

- ~100 mio. € deal with **Moscow Healthcare Department** strengthening market position
- **10-year life-cycle** agreement providing imaging **products and services**

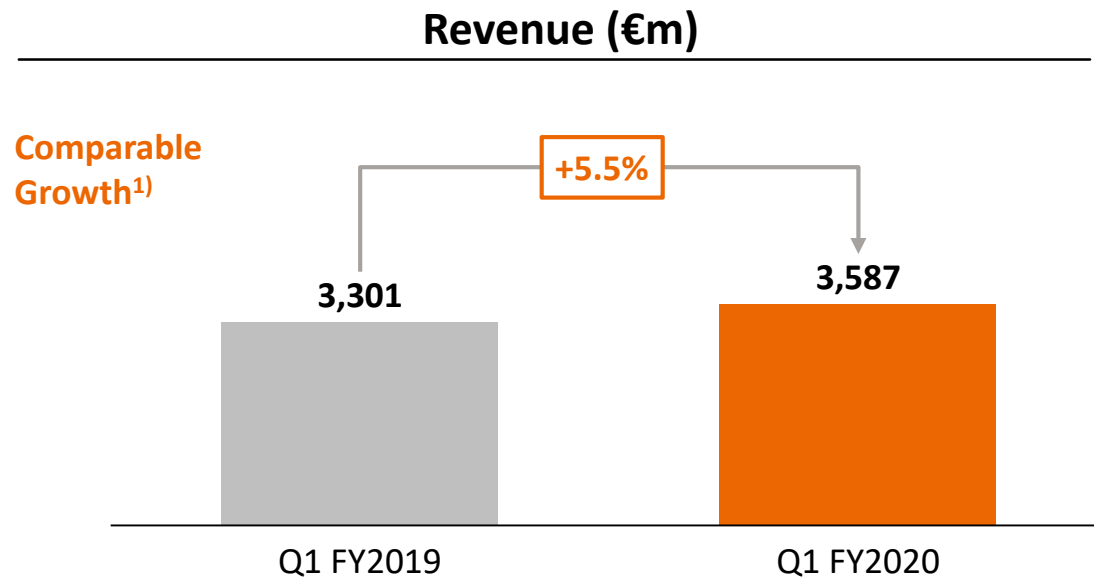
Quest Diagnostics

- Quest Diagnostics is **the world's leading provider of diagnostic information services**
- **Multi-year agreement** contemplates the **largest immunoassay deployment** (up to 120 analyzers) of Atellica Solution **worldwide to date**

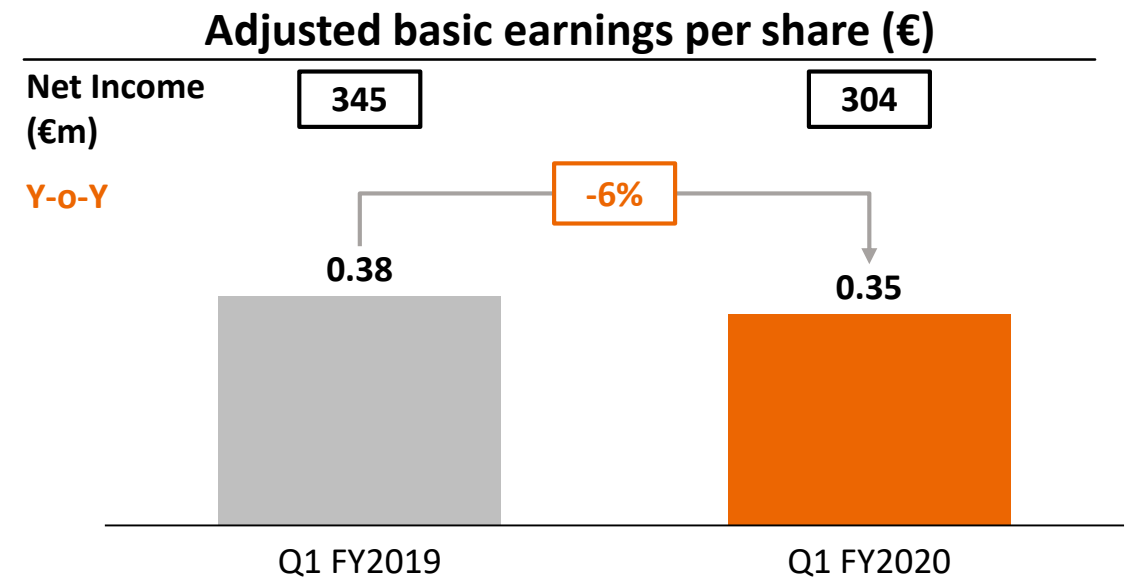
Drive our own digital transformation

Our priorities

Strong revenue growth, adj. basic EPS down on lower adj. EBIT



- Revenue driven by strong growth in Imaging, solid growth in Diagnostics and very strong growth in Advanced Therapies
- Growth in EMEA with 10% and in Asia with 9%
- Flat revenues in the Americas on tough comps



- Adj. basic EPS down -6% y-o-y on lower adj. EBIT
- Adj. EBIT margin decreased by -290 bps y-o-y due to mix-effects and individual negative effects at Imaging; Diagnostics margin development as guided
- Positive net interest expenses
- Tax-rate with 27% at low-end of FY guidance, y-o-y increase in tax expense due to discrete tax effects in PYQ (tax-rate Q1 19: 24%)

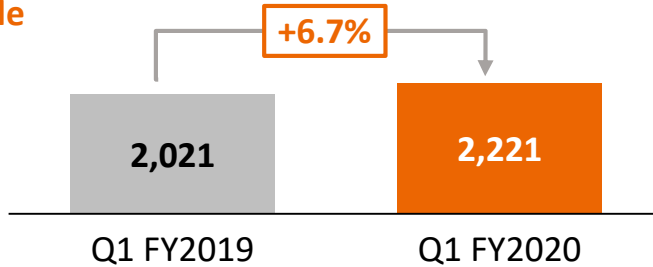
¹ Y-o-y on a comparable basis, excluding currency translation and portfolio effects

Strong topline at Imaging and Advanced Therapies, mixed margin picture in segments

Imaging (€m)

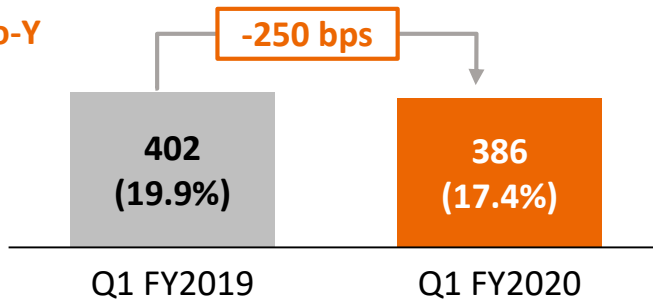
Comparable Growth¹⁾

Revenue



Margin Y-o-Y

Adj. EBIT (margin)

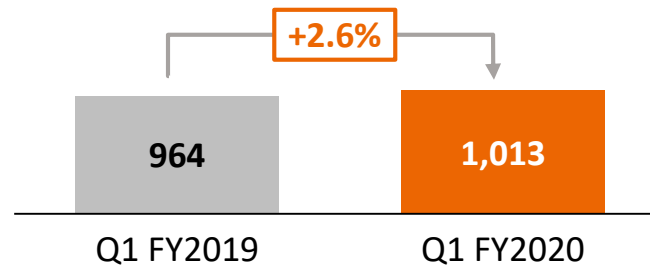


- Significant growth at X-ray Products, strong growth at Molecular Imaging and Magnetic Resonance
- Margin down y-o-y due to mix-effects and individual negative effects

Diagnostics (€m)

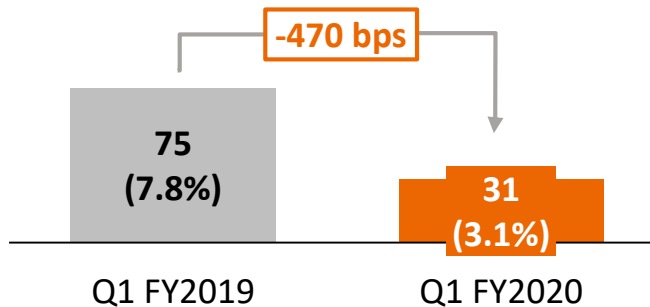
+2.6%

Revenue



-470 bps

Adj. EBIT (margin)

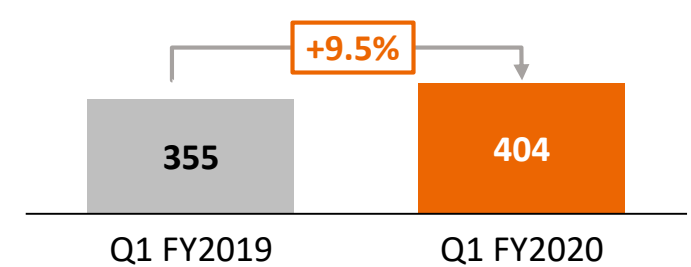


- Diagnostics with solid 2.6% growth
- Margin y-o-y down as guided, mainly due to high number of AS²⁾ shipments in previous quarter (Q4: >600 shipments)

Advanced Therapies (€m)

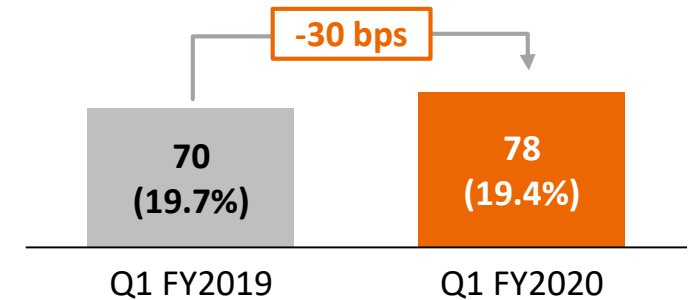
+9.5%

Revenue



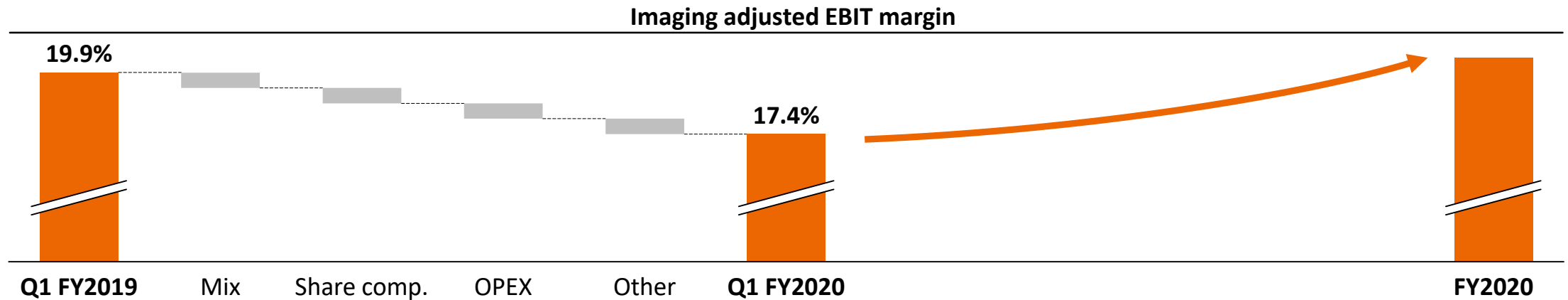
-30 bps

Adj. EBIT (margin)



- Very strong growth in Q1
- Margin y-o-y stable despite dilutive effect from Corindus

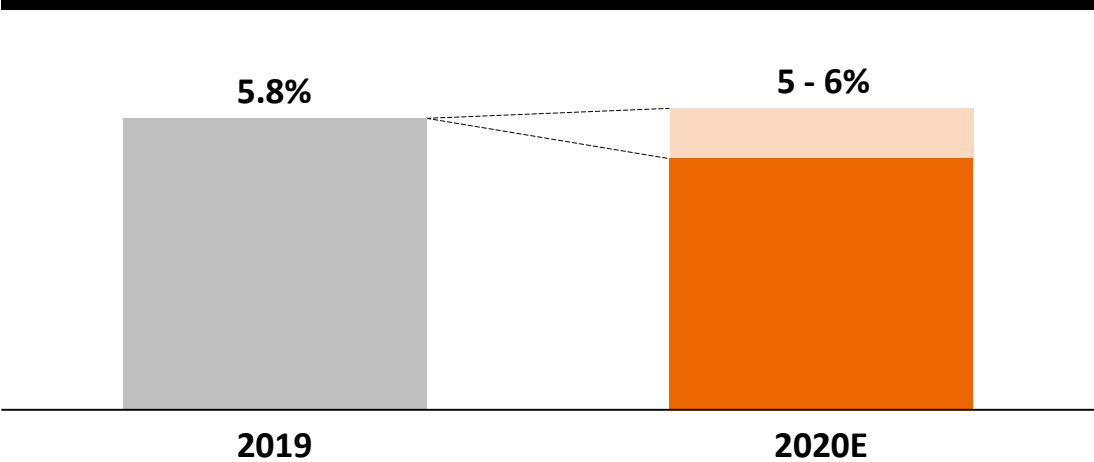
Imaging on track for FY20, margin in Q1 with a temporary dip



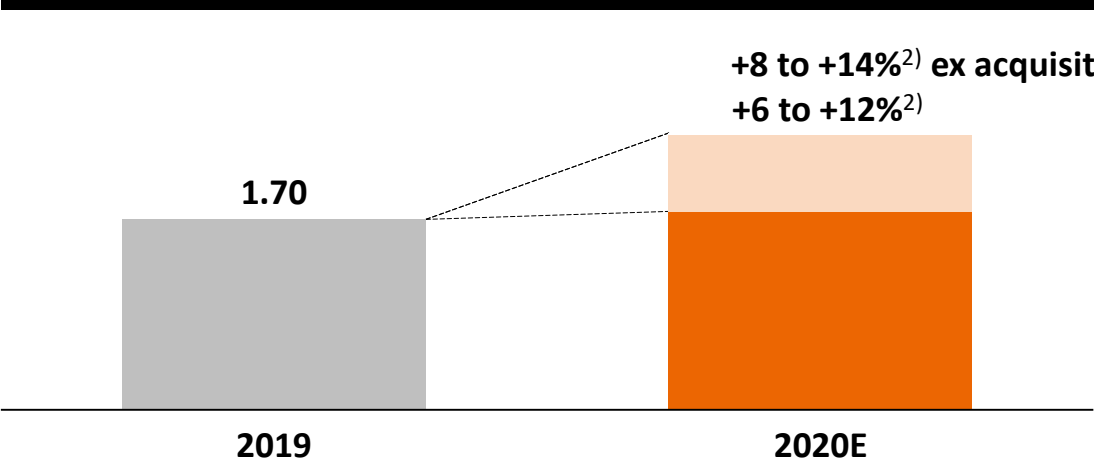
- Negative effect in Q1 from **unfavorable mix** of different margin profiles in **businesses, geographies and market segments; mix will normalize** in the course of the **fiscal year**
- Negative effect from **share-based compensation** in Q1
- **Lower economies of scale in OPEX** on relatively low revenue slice in Q1 within fiscal year
- **Other** individual negative **effects** impacting Q1 year-over-year
- **Imaging** on track for **attractive growth** and **expanding margins in FY20**

Outlook for FY2020 confirmed

Comparable revenue growth¹⁾



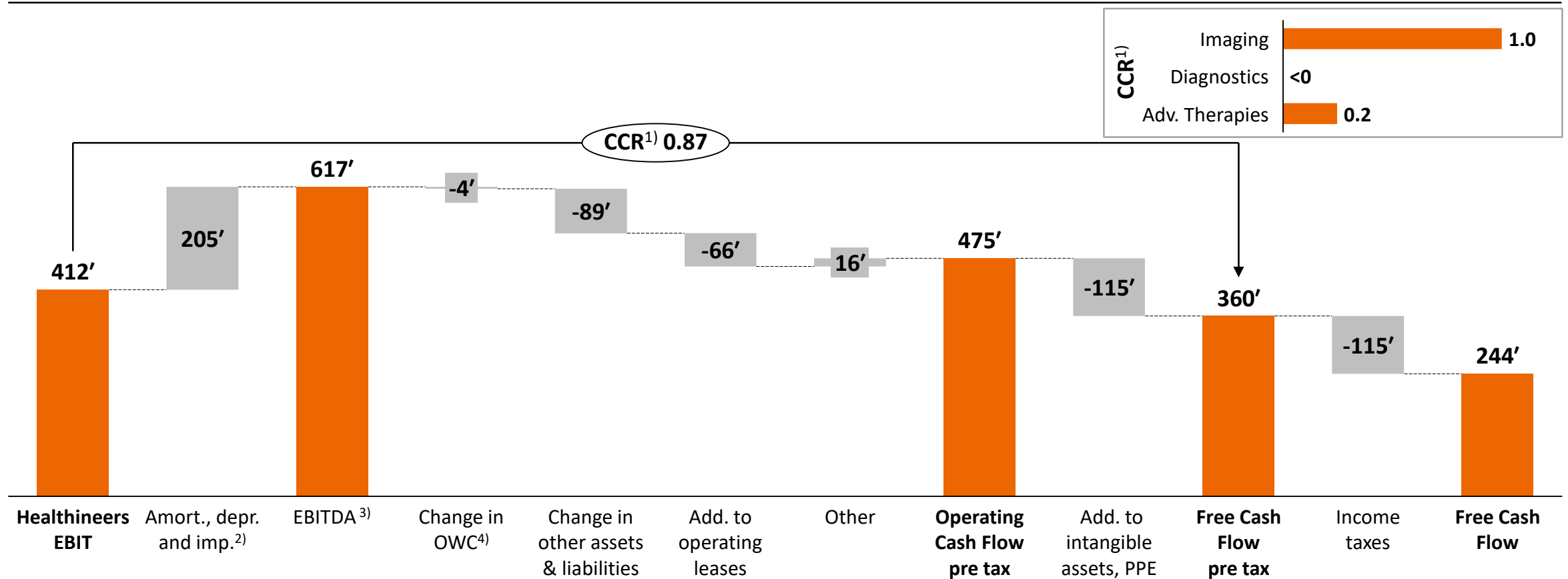
Adj. basic EPS growth



¹ Y-o-y on a comparable basis, excluding currency translation and portfolio effects | ² The outlook is based on current foreign exchange rate assumptions and on the current portfolio | ³ Excluding effects from acquisition of Corindus Robotics, ECG Management Consultants and MiniCare

Excellent cash generation in Q1, Advanced Therapies cash held back by Corindus transaction

Q1 Siemens Healthineers EBIT to Free Cash Flow



1 CCR=Cash conversion rate defined as Free Cash Flow pre tax divided by Healthineers EBIT |

2 Amortization, depreciation and impairments | 3 Income before income taxes, interest income and expenses, other financial income, net as well as amortization, depreciation & impairments | 4 Operating working capital

Q1 reconciliations and KPIs for group and segments

Q1 FY2020

Q1 FY2019

Position (€m)	Q1 FY2020				Q1 FY2019			
	Healthineers	Imaging	Diagnostics	Advanced Therapies	Healthineers	Imaging	Diagnostics	Advanced Therapies
Adjusted EBIT	484	386	31	78	542	402	75	70
therein adjusted for: Amortization of intangible assets acquired in business combinations	-45				-33			
therein adjusted for: Severance charges	-17	-8	-6	-2	-13	-8	-2	-2
therein adjusted for: Acquisition-related transaction costs	-10			-10				
therein: Amortization, depreciation and impairments (incl. PPA)	205	40	73	4	142	34	56	3
EBITDA	617	417	98	71	638	428	129	71
	Assets as of Sep. 30th 2019							
Assets	22,666	7,203	5,267	2,053	19,429	6,840	5,499	997
Free Cash Flow¹⁾	244	364	-55	16	-24	177	-120	34

1 Q1 FY2019 on segment level adjusted according to the definition of the adjusted EBIT

Q1 adjusted EBIT to net income and adj. EPS reconciliation

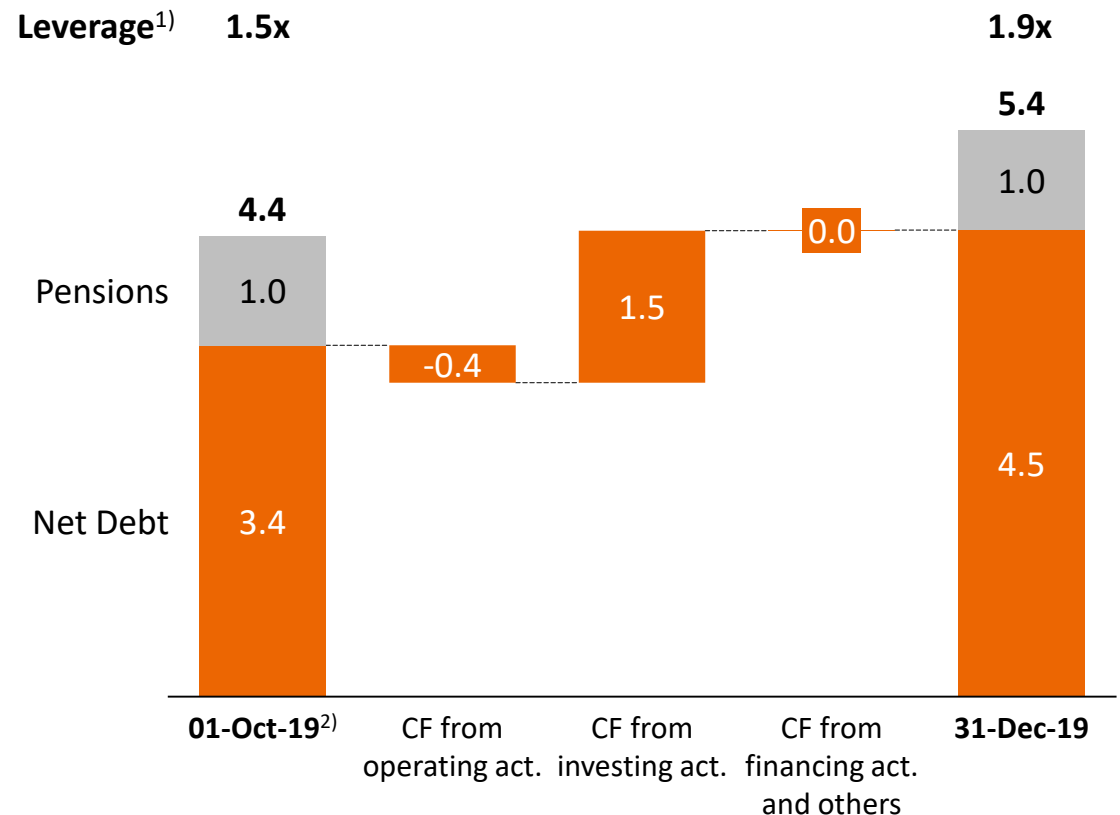
Position (€m)	Q1 FY2020	Q1 FY2019
Adjusted EBIT	484	542
therein adjusted for: Amortization of intangibles assets acquired in business combinations	-45	-33
therein adjusted for: Severance charges	-17	-13
therein adjusted for: Acquisition-related transaction costs	-10	
Interest expenses, net ¹⁾	6	-45
therein interest income	28	6
therein interest expenses	-21	-39
therein other financial income, net	-1	-12
Income before income taxes	419	452
Income tax expenses	-114	-107
Net income	304	345
Non-controlling interest	3	4
Net income attributable to shareholders of Siemens Healthineers AG	301	341
Earnings per share (in €)²⁾	0.30	0.34
Severance charges	0.01	0.01
Acquisition-related transaction costs	0.01	
Amortization of intangibles assets acquired in business combinations	0.03	0.02
Adjusted earnings per share (in €)	0.35	0.38

Q1 balance sheet and net debt bridge

Net debt overview

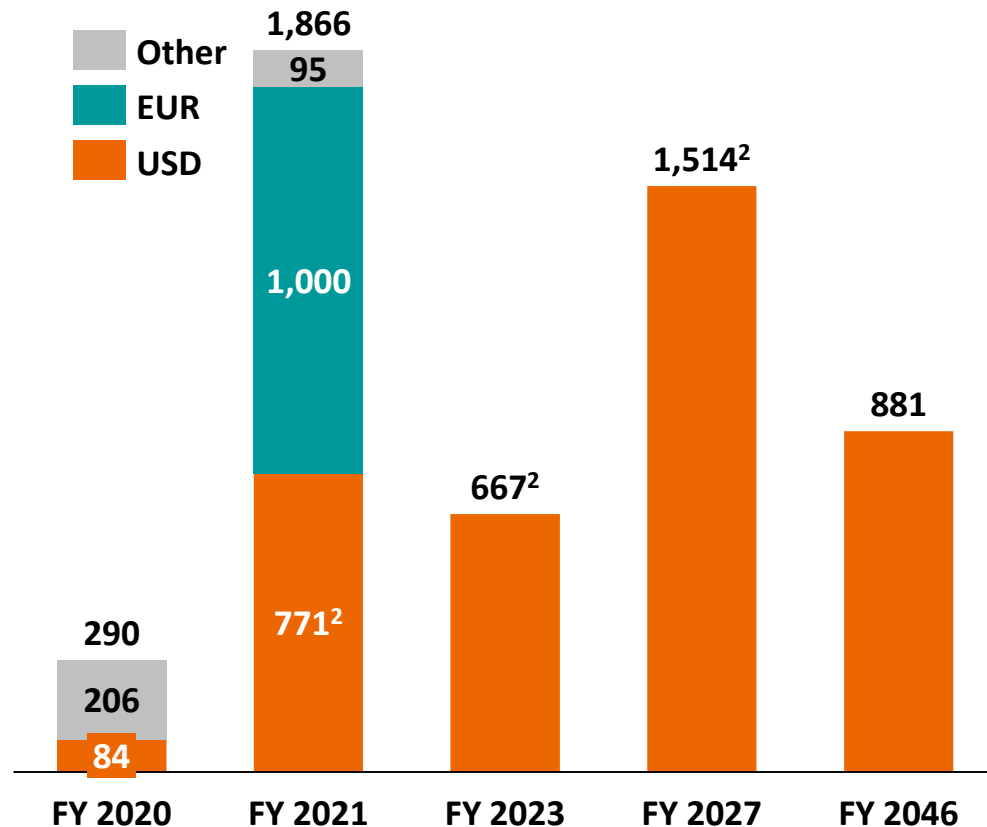
in €bn	Sep. 30th 2019	Dec. 31st 2019
Cash and cash equivalents	0.9	0.9
Receivables from Siemens Group (financial cash)	0.7	0.4
Short-term and long-term debt	(0.1)	(0.5)
Payables and other liabilities to Siemens Group (financial debt)	(4.4)	(5.3)
Net debt	(2.9)	(4.5)
Provisions for pensions and similar obligations	(1.0)	(1.0)
Net debt (incl. pensions)	(4.0)	(5.4)

Capital structure development in Q1 (in €bn)



SHS loan maturity profile

SHS loans with Siemens Group as of 31.12.2019¹ (in mio €)



Comments

- Total loan volume ~5² EUR equivalent
- Average interest rate ~0.8%³
- Majority of maturities exceeding FY 2020

Top 5 loans

Currency	Volume	Volume in €	Interest rate	Maturity
USD	\$1,689	€1,514 ²	0.26% ²	FY 2027
EUR	€1,000	€1,000	0.25% ⁴	FY 2021
USD	\$990	€881	3.4%	FY 2046
USD	\$859	€771 ²	-0.7% ²	FY 2021
USD	\$743	€667 ²	-0.2% ²	FY 2023

¹ Maturity profile based on Fiscal Year start October 1 - translation to EUR according to spot rate as of Dec 31th 2019 |

² USD loans addressed by SHS debt & capital restructuring project resulting in synthetic EUR debt; EUR volume and interest rate are calculated with underlying hedge rates | ³ Average interest rate for FY20 after implementation of debt and capital restructuring project | ⁴ Floating interest rate

Funded status unchanged

Q1 FY2020 Key financials – Pensions and similar obligations

in €bn ¹⁾	FY2017	FY2018	FY2019	Q1 FY2020
Defined benefit obligation (DBO)²⁾	(4.1)	(3.4)	(3.8)	(3.7)
Fair value of plan assets²⁾	2.4	2.6	2.8	2.8
Provisions for pensions and similar obligations	(1.7)	(0.8)	(1.0)	(1.0)
Discount rate	2.8%	2.9%	1.8%	1.9%
Interest Income	0.1	0.1	0.1	0.0
Actual return on plan assets	0.1	0.1	0.3	0.0

¹ All figures are reported on a continuing basis | ² Fair value of plan assets including effects from asset ceiling (Q1 FY2020: €-0.0bn); difference between DBO and fair value of plan assets additionally resulted in net defined benefit assets (Q1 FY2020: €+0.0bn); Defined Benefit Obligation (DBO) including other post-employment benefit plans (OPEB) of ~€-0.1bn

SIEMENS Healthineers

